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PRIME MINISTER

30 June 1986

HOUSE OF COMMONS EDUCATION, SCIENCE AND ARTS COMMITTEE REPORT:
THE FUTURE OF THE SCIENCE BUDGET

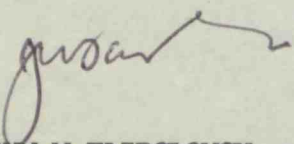
Mr Kenneth Baker is seeking agreement to the publication of the Government response to the Committee's report.

2. I consider that the Committee's recommendations does not address the fundamental issues concerning the Science Budget, which must be:

- what resources should the nation devote to pure and strategic research?
- what are the priorities for applied research in terms of increasing national wealth?

Until these questions can be answered and academic research activities thereby rationalised and concentrated to ensure greater value for money, proposals for increasing the Science Budget (such as those from the Committee) can only receive a negative response from the Government, which will inevitably receive adverse comment.

3. I therefore suggest that when this reply is published, it should be accompanied by a statement on the importance which the Government attaches to maintaining a healthy and vigorous science base, the need for the science community and its institutions to address the above questions, and in particular, the need for the University Grants Committee to build on its policy of selectivity for research support.


JOHN W FAIRCLOUGH

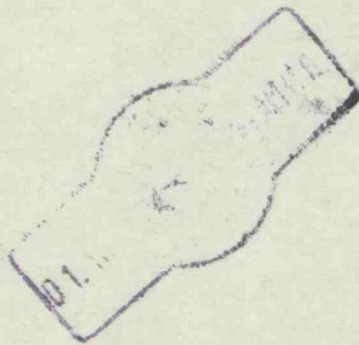
Chief Scientific Adviser

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BUDGET

PT 4



COMMISSION



DA
CBA

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

2 July 1986

**EDUCATION, SCIENCE AND ARTS COMMITTEE REPORT:
FUTURE OF THE SCIENCE BUDGET**

I attach a copy of a minute to the Prime Minister from John Fairclough, which suggests one or two themes which might be developed in the statement to accompany the publication of the Government's response to this Select Committee Report.

BS/11 I should be glad if you would let me know if you believe there will be difficulties in incorporating these ideas into the statement.

I am copying this to John Fairclough.

(Mark Addison)

Rob Smith, Esq.,
Department of Education and Science.

SP



cc BGS

DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

Mark Addison Esq
Private Secretary
10 Downing Street
LONDON SW1

4 July 1986

Dear Mark

EDUCATION, SCIENCE AND ARTS COMMITTEE REPORT: FUTURE OF THE SCIENCE BUDGET

Thank you for your letter and enclosure of 2 July. Subject to the Prime Minister's wishes and what she may decide on the draft response, my Secretary of State sees no difficulty in incorporating Mr Fairclough's points in a statement that would accompany its publication.

He would however note:

- (i) what a nation spends on pure and strategic research is the sum of Government and private sector expenditure. As well as the science community and its institutions, Government and enterprises must address the matter.
- (ii) Rationalisation and concentration of research in the science base is already underway (notably in the restructuring of the Research Councils) although there is further to go, particularly in universities.

The statement might be made in a published covering letter to the Chairman of the Committee, or in an arranged Parliamentary answer, or both. We will, naturally, clear it with your office.

Mr Baker is to appear before the Committee on 22 July. We aim to publish the Government's response before then.

I am copying this to John Fairclough.

Yours sincerely
Alison Kennedy
PP R L SMITH
Private Secretary

Sci & Tech: Science Budget: Pt 4

